

EXECUTIVE DIRECTOR'S MONTHLY REPORT

MAY 2004

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- On April 28th the Audit and Best Practices Subcommittee met. At that meeting they were advised that Caltrans Audits had begun their standard Indirect Cost Allocation Audit (ICAP) for Fiscal Year 2004-2005 on April 27th. It is anticipated that Caltrans will complete the ICAP audit by the second week of May. SCAG should receive the results of the audit by June 30th.

Staff has been evaluating consultants to conduct an evaluation of SCAG's Information Technology Systems. A report will be ready in late May discussing recommendations for improvements.

II. Provide support to the Regional Council in providing direction and Leadership to SCAG

- On April 7th I conducted an orientation briefing with Mayor Thomas Buckley, City of Lake Elsinore.
- On April 9th I conducted an orientation briefing with Councilmember Bonnie Flickinger, City of Moreno Valley.
- On April 17th I was keynote speaker for the Association of Environmental Professionals (AEP) State Conference at the Omni Hotel in downtown LA. I presented the Regional Transportation Plan through the lens of the Compass Growth Vision and the **2% Solution**.
- On April 20th I attended the Fullerton City Council meeting and gave a presentation on SCAG and the benefits of membership. The Fullerton City Council voted 4 to 1 in favor of SCAG membership for a two-year trial period.
- On April 22nd I was guest speaker for the California Infrastructure Development Council at the Disneyland Hotel. I spoke on the near term future of large projects and the long-term future of transportation funding with emphasis on the legislative program in the Regional Transportation Plan.
- On April 23rd President Bev Perry and I participated in the California Healthy Cities and Communities conference at the Mission Inn in Riverside that dealt with the issues related to smart growth and healthy cities.
- On April 23rd I participated on a panel at the Housing Growth Summit – “Where Will Our Children Live,” at the Proud Bird Restaurant. My panel dealt with Solutions. Tim Coyle of BIA and D. Barton Doyle, Mayor of Sierra Madre were participants on my panel.

III. SCAG Operations

- Contracts Status Report. Five subregions (IVAG, VTC, WRCOG, LA County and LA City) have signed and returned their Continuing Cooperative Agreement amendments and a Notice to Proceed has been issued by SCAG. SCAG is still waiting to receive signed Continuing Cooperative Agreement amendments from three Subregions (North LA County, SANBAG, and Westside Cities).
- CFO Recruitment and Selection. On April 21, 2004, Heather Dugan Copp was announced as the new Chief Financial Officer for SCAG. She will start on May 12th, she attended the April 28th Audit/Best Practices Committee meeting and will attend the May 6th General Assembly. Most recently she held the position of Director of Finance and Administration for the Roaring Fork Transportation Authority in Aspen, Colorado. Prior to working for Roaring Fork, Heather was the CFO at the Colorado Department of Transportation for 12 years.
- Succession Plan. The Human Resources Department has developed a succession plan for the organization. This plan was developed in collaboration with Supervisors, Managers and Executive Management. The objectives are to provide interim replacements for incumbent executive management, executive succession planning to develop internal candidates so that they are competitive for vacancies in the future, specific rotational and/developmental assignments to address the technical, administrative and leadership needs of the organization, and build in the process as an integral part of individual and organizational performance with annual, mid-year evaluations, pay for performance and training plans.
- Employee Recognition Program. A committee of staff are working on developing a formal employee recognition program for SCAG.
- Training. Human Resources coordinated mandatory training sessions on Preventing Workplace Harassment and Discrimination as well as elective training on computer software programs.

IV. Implement Adopted Regional Plans

- Maglev Deployment. On April 6, 2004, SCAG hosted an Executive Meeting of Maglev Deployment Program Stakeholders. The City of LA, City of Ontario, SANBAG and SCAG discussed several issues including: Phase II (Preliminary Engineering and Draft EIS) of IOS Deployment; formation of a JPA and the preparation for environmental document. Staff is drafting language for JPA formation for the IOS and MOU for local match being contributed by City of LA, City of Ontario and SANBAG. SCAG hosted a Maglev Technology Selection Workshop on Monday, April 26th. Those in attendance were the City of LA, City of Ontario, SANBAG and others. Staff has prepared comments for California High Speed Rail Draft EIR/EIS. These comments will be reviewed by TCC.
- Regional Transportation Plan. The Regional Council adopted the 2004 Regional Transportation Plan on April 1, 2004. Staff incorporated the revisions proposed by the Regional Council in the Final 2004 RTP. Staff submitted the Final 2004 RTP, associated technical appendices incorporating transportation conformity analysis, and the Regional Council resolution adopting the plan, to the appropriate Federal

and state agencies for final conformity determination and the plan certification on April 19, 2004. Staff met with representatives of the FHWA and FTA on April 28th, to discuss some concerns that the Federal agencies had regarding the Plan's financial constraint. Specifically, the concerns raised were about the implementation strategies for "privately financed" projects such as Maglev, truck lanes, and corridors, etc. Federal staff indicated that they needed more documentation that explained how SCAG intended to implement private financing strategies to secure revenues and secure administrative mechanisms such as JPA's to implement each project. Staff indicated that that documentation was in fact contained in the Plan and supporting appendices, but agreed to summarize the information for them. Staff submitted a supplemental letter to the FHWA and FTA that addressed all of their concerns on May 3rd. Staff is currently awaiting the formal response. The Federal agencies have until June 8, 2004 to issue transportation conformity certification.

V. Develop Additional Planning Efforts

- Growth Visioning. After working diligently over the past four years, the Growth Visioning Sub-committee took action to approve the Southern California Compass Growth Vision and Implementation Program as part of their final report to the Community, Economic and Human Development (CEHD) Committee. This recommendation included that CEHD maintain the Implementation Program as a "living" document as further regional dialogues take place and other implementation consensus continues over the next seven years.
- Forecasting and Analysis. Based on the adopted growth, staff are working on creating clean data sets for different levels of geography (County, Subregion, City, Census Tract, and TAZ).
- 4th Annual Regional Housing Summit. The 4th Annual Regional Housing Summit will be held on Friday, May 21st at the South Coast Air Quality Management District (SCAQMD) offices in Diamond Bar. We have secured support from the Urban Land Institute (ULI), Local Government Commission (LGC), Fannie Mae and the Federal Home Loan Bank of San Francisco (FHLB).
- Housing Legislation/Regional Housing Needs Assessment Update. The Statewide Housing Element Working Group consensus recommendations, which cover regional and other issues including the use of the RTP forecast in housing planning, are included in Assembly Bills 2158 (Lowenthal) and 2348 (Mullen). SCAG will continue to monitor developments affecting the conduct of the regional housing needs and Housing Element processes.
- Water. Staff facilitated a meeting between Caltrans (Headquarters and District 7) and three cities (Arcadia, Monrovia, and Sierra Madre) and Los Angeles County to discuss ways that these public entities could jointly plan and implement measures for compliance with the Trash TMDL (Total Maximum Daily Load) rule. This approach would modify the current Caltrans strategy in which it is implementing compliance measures on a stand-alone basis. A new compliance approach potentially offers each entity greater cost effectiveness.
- Conformity. As we informed the Regional Council at the April 1 meeting, we anticipate a conformity lapse for Ventura County and the Southeast Desert for a few weeks in early June, until the state and

federal agencies approve the new emissions budgets for these two areas. SCAG staff has been working with the local, state, and federal agencies to resolve any pending issues and minimize the conformity lapse. Both the Air Resources Board (ARB) and the Environmental Protection Agency (EPA) have been very supportive and are conducting concurrent reviews of the pending air quality plans. The Regional Council has authorized me to determine conformity of the 2004 RTP in these two areas upon the effective date of EPA's action on the related emissions budgets, and to transmit the conformity findings in a letter to the federal agencies for their final action.

- New 8-hour Ozone Standard. On April 15, 2004, EPA announced the designation of the new 8-hour ozone non-attainment areas across the country. There are five 8-hour ozone areas in the region: the South Coast Air Basin (SCAB) was classified as severe-17 with attainment year of 2021; the Coachella Valley area was classified as serious with attainment year of 2013; Ventura County was classified as moderate with attainment year of 2010; the Western Mojave Desert (composed of the San Bernardino County and Antelope Valley areas) was classified as moderate with attainment year of 2010; and Imperial County was classified as marginal with attainment year of 2007.

The designations and classifications of the 8-hr ozone areas will be effective on June 15, 2004. The air districts and ARB will have three years, until April 2007, to submit the new Ozone AQMPs/SIPs demonstrating the attainment of the 8-hour ozone standard. SCAG is working with EPA on potential conformity implications of the new standard on the 2004 RTP and the 2004 RTIP. However, due to the consistency between the boundaries of the 1-hour and 8-hour ozone standards, the conformity of 2004 RTP/RTIP will remain intact.

- The Intermodal Planning Group (IPG). This Annual OWP review meeting was held at SCAG on April 21st. Representatives from FHWA, FTA Region 9, Caltrans District 7 and Headquarters participated. Comments received on the document were reviewed and presentations were made on our key planning areas including the RTP, RTIP, EIR, conformity, growth visioning, financial constraint and ITS. Staff thought the meeting was successful in addressing federal and state comments.
- Recently, the Ninth Circuit Court of Appeals issued an important ruling regarding the enforceability of TCMs. In the case of Bayview Hunters Point Community Advocates et. al v. Metropolitan Transportation Commission et al. The Court of Appeals reversed an earlier district court ruling which had found that MTC by including as a part of a TCM a "target" ridership increase of 15% over 1982-1983 levels had created an enforceable TCM. Instead, the Court of Appeals found that the plain language, which never described the ridership increase as anything but a target did not create an enforceable obligation. Interestingly, the Court also noted that factors outside of MTC's control such as work patterns and individual preferences to use or not public transit impacted the ability to meet the 15% target and therefore that it would be illogical for MTC to have proposed a TCM who's implementation it knew would be contingent upon factors which it did not control. It is expected that the plaintiffs will appeal this matter.

VI. Data

- Planning Data/GIS

Development of the Regional Council District Map on SCAG's Web Site. Staff has developed an electronic map of SCAG's Regional Council Districts via SCAG's Web Site. The map can be accessed through either "About SCAG" or Interactive Atlas under "Data and Maps" from the SCAG home page.

Intranet. Staff has completed the enhancement of the Intranet site for in-house use. It contains a listing of SCAG's policy procedures and manuals. The Intranet is a tool to further improve agency efficiency.

Survey of Data Needs. Staff completed an on-line data needs survey of member jurisdictions and other stakeholders in the region. A total of 127 surveys were submitted with about 2000 different data sets selected. The majority of the respondents (68%) were from local governments, including cities, counties, special districts, and subregions. Most needs were related to Transportation (30%), 2000 Census (17%), and General Data (e.g. socioeconomic and travel demand forecast) (16%). Some of the major comments included the availability of parcel level data from the counties and more frequent updates on land use and aerial imagery data.

VII. Implement the Legislative Program

- Reauthorization of TEA-21. On April 2nd, the US House of Representatives voted 357-65 to pass HR 3550, known as TEA-LU, which reauthorizes the federal surface transportation program. Despite the reduction of TEA-LU's cost from its original \$375 billion price tag to \$275 billion, the Bush Administration continued to threaten to veto any bill exceeding \$256 billion. Southern California has nearly \$554 million in proposed earmarks in the bill, but there are significant questions about the bill regarding how much the State is guaranteed to receive each year.

With the Senate having passed its \$318 billion reauthorization bill in February, the next step is the formation of a conference to reconcile differences between the bills. On April 20th, the President and congressional Republicans agreed to set a spending cap before conferees will be named. Senate Democrats have insisted in turn that a pre-conference occur to sidestep White House influence.

As pre-conference negotiations continue, another 2 month TEA-21 extension has been approved taking the action through June 30th.

- State Budget. Jim Gosnell gave testimony on the transportation portion of the proposed State Budget recommending retention of Prop 42 funding and describing implications of proposed budget cuts on conformity in the region.
- SCAG Legislative Day. On April 14th, President Bev Perry, First Vice President Ron Roberts and Past President Ron Bates led SCAG's legislative advocacy day in Sacramento. The trip consisted of a luncheon and a day of meetings with legislators and administration officials to convey SCAG's message about the negative impact of the Governor's proposed transportation budget cuts. The SCAG delegation, which was joined by SCAG staff, our Sacramento lobbyists, and myself, was well received,

and we were very pleased to be joined at lunch by BT&H Secretary Sunne McPeak. Secretary McPeak was supportive of SCAG's initiatives. The timing of our visit was excellent, as the Governor is currently preparing the May Revise, which is reported to include a major announcement concerning transportation funding.

- SCAG/SANDAG Meeting. On May 27th, executive officers from SCAG and SANDAG will meet at the Temecula Creek Inn from 10 am-2 pm to discuss SCAG's aviation strategy, SANDAG's commuter rail strategy, and both agencies' perspectives on RHNA.
- SCAG/Santa Barbara Meeting. Discussions have begun with the Santa Barbara COG for a joint meeting in the summer.